

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 111th Congress¹**

[Date approved: July 9, 2010]²

Bill No. and sponsor: S. 2567 (Mr. Jim Bunning of Kentucky).

Proponent name,³ location: CC Metals and Alloys LLC, Calvert City, KY.

Other bills on product (111th Congress only): None.

Nature of bill: Temporary suspension of duty through December 31, 2011.

Retroactive effect: None.

Suggested article description(s) for enactment (including appropriate HTS subheading(s)):

Soderberg electrode pastes in rectangular blocks, cylinders (greater than or equal to 500 mm in diameter), or briquettes consisting of calcined anthracite (CAS No. 68187-59-7) and coal tar pitch (CAS No. 65996-93-2) (provided for in subheading 3801.30.00) for use in the production of ferro-silicon having a 40-80 percent silicon content.

Check one: ☐ Same as that in bill as introduced.
☒ Different from that in bill as introduced (see Technical comments section).

Product information, including uses/applications and source(s) of imports:

A Soderberg electrode is a continuously formed electrode that is used in a metallurgical electrical furnace (e.g., in nickel and ferro-alloy production). The subject product, a paste that is the main component of the electrode, is a mixture of calcined anthracite and coal-tar pitch. It is continuously added to a steel heating casing and baked as it passes through it, replacing the electrode already in the casing that is being consumed.⁴ The subject product is imported chiefly from China and Norway.

¹ Industry analyst preparing report: Elizabeth Nesbitt (202-205-3355) and Robert Randall (202-205-3366); Tariff Affairs contact: David Michels (202-205-3440).

² Access to an electronic copy of this memorandum is available at http://www.usitc.gov/tariff_affairs/congress_reports/.

³ The sponsor/proponent identified one additional beneficiary of this bill. USITC staff contacted the additional beneficiary and received a written response from the beneficiary that it would benefit from this bill. In addition, USITC staff identified two additional beneficiaries of this bill and contacted them. Both beneficiaries submitted written representations that they would benefit from this bill.

⁴ The proposed duty suspension would not apply to pastes for furnace linings that may also contain similar inputs.

Estimated effect on customs revenue for the subject product classifiable in HTS subheading 3801.30.00:

	2010	2011	2012	2013	2014
Col. 1-General rate of duty	4.9%	4.9%	4.9%	4.9%	4.9%
Estimated value dutiable imports ^a	\$4,500,000	\$5,000,000	\$5,000,000	\$6,000,000	\$6,000,000
Customs revenue loss ^b	\$220,500	\$245,000	\$245,000	\$294,000	\$294,000

a/ Dutiable import estimates were provided by industry sources.

b/ At the request of Congress, customs revenue loss is provided for 5 years, although the effective period of the proposed legislation may differ.

Contacts with domestic firms/organizations (including the proponent):

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
CC Metals and Alloys LLC. (Proponent)	02/02/2010	No	No	No
Ed Bredniak, esbredniak@ccmetals.com	03/19/2010			
Core Metals Group	03/23/2010	No	No	No
Jerry Rich, 256-495-2285				
Elkem Carbon	03/19/2010	No	No	No
Mark Nilsen, 918-693-1705, mark.nilsen@elkem.com				
Globe Specialty Metals	03/23/2010	No	No	No
Robert Becker, 740-984-8652				

Technical comments:⁵

Based on conversations with the proponent, CC Metals and Alloys LLC, the importer of the product, Elkem Carbon, and a National Import Specialist with U.S. Customs and Border Protection, the Commission staff suggests that the article description on page 1 of this report be used in the proposed duty suspension in order to better identify the subject product, to narrow the scope of the product coverage, and to add the CAS numbers of the inputs.⁶

⁵ The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only the U.S. Customs Service is authorized to issue a binding ruling on this matter. The U.S. Customs Service has been consulted about this legislation.

⁶ Industry representatives and National Import Specialist (U.S. Customs and Border Protection, Department of Homeland Security), telephone interview with Commission staff, March 19, 2010.

111TH CONGRESS
1ST SESSION

S. 2567

To suspend temporarily the duty on carbonaceous pastes for electrodes and similar pastes for furnace linings.

IN THE SENATE OF THE UNITED STATES

OCTOBER 30, 2009

Mr. BUNNING introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To suspend temporarily the duty on carbonaceous pastes for electrodes and similar pastes for furnace linings.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. CARBONACEOUS PASTES FOR ELECTRODES**

4 **AND SIMILAR PASTES FOR FURNACE LIN-**

5 **INGS.**

6 (a) IN GENERAL.—Subchapter II of chapter 99 of
7 the Harmonized Tariff Schedule of the United States is
8 amended by inserting in numerical sequence the following
9 new heading:

“	9902.01.00	Carbonaceous pastes for electrodes and similar pastes for furnace linings (provided for in subheading 3801.30.00) ...	Free	No change	No change	On or before 12/31/2011	”.
---	------------	---	------	-----------	-----------	-------------------------	----

1 (b) EFFECTIVE DATE.—The amendment made by
 2 subsection (a) applies to goods entered, or withdrawn from
 3 warehouse for consumption, on or after the 15th day after
 4 the date of the enactment of this Act.

○